

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7877

BILL NUMBER: SB 499

NOTE PREPARED: Jan 17, 2003

BILL AMENDED:

Subject: Sales Tax Increment Funding for Tourism.

FIRST AUTHOR: Sen. Simpson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: This bill establishes the Tourism Supplemental Revenue Fund to be administered by the Department of Commerce. The bill provides that money in the fund may be used by the Department of Commerce for the promotion and development of tourism in Indiana. The bill requires the Department of State Revenue (Department) to require retail merchants to report on all state Gross Retail and Use tax returns filed after June 30, 2003, and before January 1, 2016, an industry code listed in the North American Industry Classification System Manual to allow the department to classify certain merchants as tourism related merchants. The bill for all calendar years beginning after December 31, 2004, and ending before January 1, 2016, requires the Auditor of State to transfer from those funds receiving state Gross Retail and Use Tax collections to the Tourism Supplemental Revenue Fund, an amount equal to the lesser of:

- (1) 10% of the difference between the state Gross Retail and Use Taxes collected from tourism related merchants in the previous calendar year, minus those taxes collected from tourism related merchants in the calendar year ending December 31, 2003; or
- (2) the amount deposited in the Tourism Supplemental Fund in the immediately preceding calendar year plus \$3,000,000.

Effective Date: Upon passage; July 1, 2003.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: John Parkey, 317-232-9854